
PROJECT LEASE

BY AND BETWEEN

**CITY OF SEDGWICK, KANSAS
PUBLIC BUILDING COMMISSION**

AND

CITY OF SEDGWICK, KANSAS

DATED DECEMBER 9, 2025

LEASE

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PROJECT LEASE

THIS PROJECT LEASE, made and entered into as of December 9, 2025, by and between the City of Sedgwick, Kansas Public Building Commission, a municipal corporation duly organized under the laws of the State of Kansas (as further defined herein, the “PBC” or “Issuer”), and the City of Sedgwick, Kansas, a city of the third class organized under the laws of the State of Kansas (as further defined herein, the “Tenant” or “City”).

WITNESSETH:

WHEREAS, the Issuer is a duly organized municipal corporation created by the City, pursuant to K.S.A. 12-1757 *et seq.* (the “Act”), with full lawful power and authority to enter into this Project Lease; and

WHEREAS, the Tenant is a city of the third class duly organized and existing under the constitution and laws of the State of Kansas with full lawful power and authority to enter into this Project Lease; and

WHEREAS, pursuant to the Act, the Issuer is authorized to acquire by lease certain tracts of real estate owned by the City described as:

Lots numbered thirty-two (32), thirty-four (34), thirty-six (36), thirty-eight (38), forty (40) and forty-two (42), on the east side of Washington Avenue, in the City of Sedgwick, Harvey County, Kansas, as shown by the recorded plat thereof

and

Lot Thirty (30) on Washington Avenue in the City of Sedgwick, Harvey County, Kansas as established by the plat filed in Book 2, Page 61 of Plat Book Records, together with the East 16 feet of Washington Avenue reverting thereto by reason of vacation.

(the “Land”); and

WHEREAS, the Issuer has entered into a Base Lease dated December 9, 2025, whereby the City has leased the Land to the Issuer; and

WHEREAS, the Issuer, in furtherance of the purposes and pursuant to the provisions of the Act, desires to construct, furnish and equip a building to be located on the Land for the benefit of the City’s use as a fire station facility (the “Facility,” and collectively with the Land, the “Project”), and has proposed and does hereby propose that it shall:

- (a) Acquire a leasehold interest in the Land pursuant to the Base Lease (as hereinafter defined);
- (b) Construct, furnish, and equip the Project;
- (c) Lease the Project to the Tenant for the rentals and upon the terms and conditions hereinafter set forth; and
- (d) Issue, for the purpose of paying the foregoing costs, the Series 2025 Bonds under and pursuant to and subject to the provisions of the Act and the Bond Resolution;

WHEREAS, Tenant, pursuant to the foregoing proposals of Issuer, desires to lease the Project from Issuer, with an option to purchase, for the rentals and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Issuer and Tenant do hereby covenant and agree as follows:

ARTICLE I

Section 1.1 Definitions. Capitalized terms not otherwise defined in this Project Lease shall have the meanings set forth in the Bond Resolution. In addition to the words, terms and phrases elsewhere defined in this Project Lease and in the Bond Resolution, the following words, terms and phrases as used herein shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Act” means K.S.A. 12-1757 *et seq.*, as amended and supplemented from time to time.

“Additional Rent” means all Impositions, all Maintenance Costs, all amounts required to be rebated to the United States pursuant to the Bond Resolution, all Paying Agent fees and expenses, all other payments of whatever nature payable or to become payable pursuant to the Bond Resolution or which Tenant has agreed to pay or assume under the provisions of this Project Lease and any and all expenses (including reasonable attorney's fees) incurred by Issuer in connection with the issuance of the Bonds or the administration or enforcement of any rights under this Project Lease or the Bond Resolution.

“Additional Term” means the additional term of this Project Lease commencing on the last day of the Basic Term and terminating upon the payment or provision for payment of the principal of, redemption premium, if any, and interest on all Outstanding Bonds.

“Authorized Issuer Representative” means the President of the PBC, or such other person as is designated to act on behalf of the PBC as evidenced by written certificate furnished to the City and the Paying Agent, containing the specimen signature of such person. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Issuer Representative.

“Authorized Tenant Representative” means the Mayor of the City, or such other person as is designated to act on behalf of the Tenant as evidenced by written certificate furnished to PBC and the Paying Agent, containing the specimen signature of such person. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Tenant Representative.

“Bankruptcy Code” means Title 11 of the United States Code, as amended.

“Base Lease” means the Base Lease, dated as of December 9, 2025, between the City, as lessor, and the PBC, as lessee, as from time to time supplemented and amended in accordance with the provisions thereof.

“Basic Rent” means the semiannual amount of rent due and payable hereunder which, when added to Basic Rent Credits, will be sufficient to pay, on any Bond Payment Date, all principal of, redemption premium, if any, and interest on all Bonds which is due and payable on such Bond Payment Date.

“Basic Rent Credits” means (i) all funds on deposit in the Principal and Interest Account and available for the payment of principal of, redemption premium, if any, and interest on the Bonds on any Bond Payment Date and (ii) all payments made directly to the Paying Agent for the payment of principal of, redemption premium, if any, and interest on the Bonds as permitted by **Section 3.1** hereof.

“Basic Rent Payment Date” means one Business Day prior to any Bond Payment Date until the principal of, redemption premium, if any, and interest on the Bonds have been fully paid or provision made for their payment or redemption in accordance with the provisions of the Bond Resolution.

“Basic Term” means that term commencing as of the date of this Project Lease and ending on October 1, 2046, subject to prior termination as specified in this Project Lease, but terminating in any event when all of the principal of, redemption premium, if any, and interest on all Outstanding Bonds shall have been paid in full or provision made for their payment in accordance with the provisions of the Bond Resolution and the City has exercised its option to purchase the Project under **Article XVII** hereof.

“Bond” or **“Bonds”** means the Series 2025 Bonds and any Additional Bonds authorized and issued pursuant to the Bond Resolution.

“Bond Resolution” means Resolution No. [] of the Issuer authorizing the issuance of the Series 2025 Bonds, and any Supplemental Resolutions adopted in accordance with the provisions of the Bond Resolution.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, *et seq.*

“Certificate of Completion” means a written certificate signed by an Authorized Tenant Representative stating that (a) the Project has been completed in accordance with the plans and specifications prepared or approved by the Issuer or Tenant, as the case may be; (b) the Project has been completed in a good and workmanlike manner; (c) no mechanic's or materialmen's liens have been filed, nor is there any basis for the filing of such liens, with respect to the Project; (d) the Facility is located upon the Land; and (e) if required by applicable building codes, that an appropriate certificate of occupancy has been issued with respect to the Project.

“City” means the City of Sedgwick, Kansas.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder by the United States Department of the Treasury.

“Default” means any event or condition the occurrence of which, with the lapse of time or the giving of notice or both, constitutes an Event of Default.

“Disclosure Agreement” means the Continuing Disclosure Agreement of the PBC and the City (as may be amended from time to time) to be delivered at the time of issuance and delivery of the Bonds, relating to certain matters within the scope of the SEC Rule, in accordance with its terms.

“Environmental Assessment” means an environmental assessment with respect to the Project conducted by an independent consultant satisfactory to the Issuer which reflects the results of such inspections, records reviews, soil tests, groundwater tests and other tests requested, which assessment and results shall be satisfactory in scope, form and substance to the Issuer and the Tenant.

“Environmental Law” means CERCLA, SARA, and any other federal, state or local environmental statute, regulation or ordinance presently in effect or coming into effect during the term of this Project Lease.

“Event of Bankruptcy” means an event whereby the Tenant shall: (a) admit in writing its inability to pay its debts as they become due; or (b) file a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Code as now or in the future amended, or file a pleading asking for such relief; or (c) make an assignment for the benefit of creditors; or (d) consent to the appointment of a trustee or receiver for all or a major portion of its property; or (e) be finally adjudicated as bankrupt or insolvent under any federal or state law; or (f) suffer the entry of a final and nonappealable court order under any federal or state law appointing a receiver or trustee for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, which order, if the Tenant has not consented thereto, shall not be vacated, denied, set aside or stayed within 60 days after the day of entry; or (g) suffer a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside.

“Event of Default” means any one of the following events:

(a) Failure of Tenant to make any payment of Basic Rent at the time and in the amounts required hereunder; or

(b) Failure of Tenant to make any payment of Additional Rent at the times and in the amounts required hereunder, or failure to observe or perform any other covenant, agreement, obligation or provision of this Project Lease on the Tenant's part to be observed or performed, and the same is not remedied within thirty (30) days after the Issuer has given the Tenant written notice specifying such failure (or such longer period as shall be reasonably required to correct such default; provided that (1) Tenant has commenced such correction within said 30-day period, and (2) Tenant diligently prosecutes such correction to completion); or

(c) An Event of Bankruptcy; or

(d) An Event of Default has occurred under the Bond Resolution; or

(e) Abandonment of the Project by Tenant.

“Facility” has the meaning set forth in the recitals to this Project Lease.

“Full Insurable Value” means the full actual replacement cost less physical depreciation as determined from time to time (but not more frequently than once in every 24 months or less frequently than every five years) by an independent architect, appraiser, appraisal company or one of the insurers, selected and paid by Tenant.

“Hazardous Substances” shall mean “hazardous substances” as defined in CERCLA.

“Impositions” means all taxes and assessments, general and special, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or payable for or in respect of the Project or any part thereof, or any improvements at any time thereon or Tenant's interest therein, including any new lawful taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or

personal property, and further including all water and sewer charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen.

“Land” has the meaning set forth in the recitals to this Project Lease.

“Maintenance Costs” means all costs and expenses of every kind of operating and maintaining the Project during the Term of this Project Lease.

“Net Proceeds” means the receipts obtained from reletting or sale after deducting all expenses incurred in connection with such reletting or sale, including without limitation, all repossession costs, brokerage commissions, legal expenses, expenses of employees, alteration costs and expenses of preparation of the Project for reletting or sale. When used with respect to any insurance or condemnation award with respect to the Project, Net Proceeds shall mean the proceeds from the insurance or condemnation award remaining after the payment of all expenses (including attorneys' fees) incurred in the collection of such proceeds.

“Notice Address” means:

(a) With respect to the Tenant:

City of Sedgwick, Kansas
520 N. Commercial Avenue
Sedgwick, Kansas 67135
Attn: City Administrator

(b) With respect to the Issuer:

City of Sedgwick, Kansas Public Building Commission
520 N. Commercial Avenue
Sedgwick, Kansas 67135
Attn: President

“Notice Representative” means:

(a) with respect to the Tenant, the City Administrator; and

(b) with respect to the Issuer, the President thereof.

“Permitted Encumbrances” means any mortgages, liens or other encumbrances specifically described herein; easements and rights-of-way of record at the time of lease of the Land to the Issuer, and any other title exceptions not affecting marketability or the usefulness of the Project to the Tenant.

“President” means the duly appointed and/or elected President or, in the President's absence, the duly appointed Vice President or Acting President of the Issuer.

“Project” has the meaning set forth in the recitals to this Project Lease.

“Project Contracts” means those documents for acquisition and construction of the Project, referred to in *Section 4.2* hereof.

“Project Lease” means this Project Lease by and between the Issuer and the Tenant, as from time to time supplemented and amended in accordance with the provisions hereof and of the Bond Resolution.

“Rental Payments” means the aggregate of the Basic Rent and Additional Rent payments provided for pursuant to *Article III* of this Project Lease.

“SARA” means the Superfund Amendments and Reauthorization Act of 1986, as now in effect and as hereafter amended.

“SEC Rule” means Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“Secretary” means the duly appointed and/or elected Secretary or, in the Secretary's absence, the duly appointed Deputy Secretary or Acting Secretary of the Issuer.

“Series 2025 Bonds” means the City of Sedgwick, Kansas Public Building Commission Revenue Bonds (Fire Station Project), Series 2025, dated as of the Dated Date, in the aggregate principal amount of \$2,210,000*.

“Tenant” means the City, its successors and assigns.

“Term” means, collectively, the Basic Term and any Additional Term of this Project Lease.

Section 1.2 Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine gender. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(b) Wherever in this Project Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(c) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Project Lease as a whole and not to any particular Article, Section or subdivision.

(d) The Table of Contents and the Article and Section headings of this Project Lease shall not be treated as a part of this Project Lease or as affecting the true meaning of the provisions hereof.

Section 1.3 Representations and Covenants by Tenant. Tenant makes the following covenants and representations as the basis for the undertakings on its part herein contained.

(a) The Tenant will not make, or cause or permit to be made, any use of the Bond proceeds which would cause the Series 2025 Bonds to be “arbitrage bonds” within the meaning of the Code. The Tenant will comply with, and will take all action reasonably required to insure that the Issuer complies with, all applicable requirements of the Code until all of the Series 2025 Bonds have been paid.

(b) The Tenant has the right, power and authority pursuant to the Act to enter into this Project Lease, and to perform its obligations hereunder. This Project Lease and the Tenant's obligations under it are not subject to the limitations imposed by the Kansas Cash Basis Law, as codified in K.S.A. 10-1001 *et seq.*, or the Kansas Budget Law, as codified in K.S.A. 79-2925 *et seq.*, and amendments thereto.

(c) Neither the execution or delivery of this Project Lease, the consummation of the transactions contemplated hereby or by the Bond Resolution, nor the fulfillment of or compliance with the terms and conditions of this Project Lease contravenes any provisions or conflicts with or results in a breach of the terms, conditions or provisions of any mortgage, debt, agreement, indenture or instrument to which the Tenant is a party or by which it is bound, or to which it or any of its properties is subject, or would constitute a default (without regard to any required notice or the passage of any period of time) under any of the foregoing, or would result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Tenant under the terms of any mortgage, debt, agreement, indenture or instrument, or violates any existing law, administrative regulation or court order or consent decree to which the Tenant is subject.

(d) This Project Lease constitutes a legal, valid and binding obligation of the Tenant enforceable against the Tenant in accordance with its terms. The Tenant covenants to pay all the Rental Payments required under this Project Lease from whatever source of revenues is legally available, and will levy ad valorem taxes without limit if necessary to pay such Rental Payments.

(e) The Tenant will furnish to the Issuer prior to the issuance and delivery of each series of Bonds, all information requested by the Issuer necessary for the Issuer to comply with the Code, including any required information to complete Internal Revenue Service Form 8038-G with respect to the tax-exempt Bonds.

(f) The Tenant covenants and agrees that moneys at any time on deposit in the funds and accounts under the Bond Resolution shall be invested or reinvested in Permitted Investments in the manner and to the extent therein provided. The Tenant covenants and agrees that it will not take any action or fail to take any action, including without limitation any action with respect to the investment of the proceeds of any Bonds issued under the Bond Resolution or with respect to the payments derived under the Project Lease, which would cause the Series 2025 Bonds to become "arbitrage bonds" within the meaning of Section 148 or corresponding provisions of the Code.

(g) The Tenant will pay all required rebate amounts to the United States in accordance with Code Section 148(f) and the Tax Agreement.

(h) The Tenant hereby covenants and agrees that all of its interests under the Bond Resolution are hereby assigned to the Issuer as security for its obligation to make Rental Payments under this Project Lease.

(i) The Tenant, during the Term, will not in whole or in part, assign, lease, hypothecate or otherwise create any other interest in, or dispose of, or cause or permit any lien, claim or encumbrance to be placed against, the Project, except as is provided for in this Project Lease and the Bond Resolution.

(j) The Tenant hereby agrees to provide to the Issuer all information of the Tenant necessary for compliance with the provisions of the SEC Rule, as more fully set forth in the Disclosure Agreement. The Issuer, upon receipt of information from the Tenant, will disseminate said information in accordance with the SEC Rule and the Disclosure Agreement.

Section 1.4 Representations and Covenants by Issuer. Issuer makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) Issuer is a municipal corporation existing under the Constitution and laws of the State. Under the provisions of the Act, Issuer has the power to enter into and perform the transactions contemplated by this Project Lease and the Bond Resolution and to carry out its obligations hereunder and thereunder.

(b) Issuer will timely file (upon receipt from Tenant of all information necessary) a completed Internal Revenue Service Form 8038-G with respect to the Bonds.

(c) Issuer has not, in whole or in part, assigned, leased, hypothecated or otherwise created any other interest in, or disposed of, or caused or permitted any lien, claim or encumbrance to be placed against, the Project, except as provided for in this Project Lease and the Bond Resolution.

(d) The Issuer, during the Term, will not in whole or in part, assign, lease, hypothecate or otherwise create any other interest in, or dispose of, or cause or permit any lien, claim or encumbrance to be placed against, the Project, except as is provided for in this Project Lease and the Bond Resolution.

(e) Issuer has duly authorized the execution and delivery of this Project Lease, the Base Lease, and the Bond Resolution and the issuance, execution and delivery of the Series 2025 Bonds.

(f) Issuer will not make, or cause or permit to be made, any use of the Bond proceeds which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code. Issuer will comply with, and will take all actions reasonably required to insure that the Tenant complies with, all applicable requirements of the Code until all of the Bonds have been paid.

(g) The Issuer will comply with all the limitations and requirements of the Code with respect to the Bonds.

Section 1.5 Continuing Disclosure. The parties acknowledge that the Issuer has a certain obligation to comply with the provisions of the SEC Rule, as more fully set forth in the Disclosure Agreement. The Tenant will assume these responsibilities of continuing disclosure and will provide and file the information required as set forth in the Disclosure Agreement. Upon providing for the appropriate filings, the Tenant will furnish a copy of said information to the Issuer.

ARTICLE II

Section 2.1 Granting of Leasehold. Issuer by these presents hereby rents, leases and lets unto Tenant and Tenant hereby rents, leases and hires from Issuer, for the rentals and upon and subject to the terms and conditions hereinafter set forth, the Project for the Basic Term.

Section 2.2 Termination of Project Lease. This Project Lease will terminate upon the occurrence of the following:

(a) The Tenant shall have paid to the Issuer all Rental Payments which the Tenant is obligated under this Project Lease to pay during the Basic Term and any Additional Term, and the Tenant has made arrangements which, in the opinion of the Issuer, are adequate to comply with the Issuer's obligations to pay any arbitrage rebate to the United States; or

(b) The Tenant shall exercise its option to purchase the Project in accordance with *Article XVII* hereof and has closed the purchase.

ARTICLE III

Section 3.1 Basic Rent. Tenant covenants and agrees to pay Basic Rent in immediately available funds, less Basic Rent Credits, on each Basic Rent Payment Date during the Basic Term. Issuer covenants to deposit such payments in the Principal and Interest Account established in the Bond Resolution and to apply the same in the manner set forth in the Bond Resolution. Notwithstanding the foregoing, in lieu of making Basic Rent payments to the Issuer, the Tenant may forward such payments on or before each Basic Rent Payment Date to the Paying Agent for the payment of principal, redemption premium, if any, and interest on the Bonds. All such payments sent to the Paying Agent shall be deemed Basic Rent Credits under this Project Lease, and shall, upon receipt by the Paying Agent, discharge *pro tanto* the liability of the Tenant to make such Basic Rent payments under this Project Lease.

Section 3.2 Additional Rent. In addition to Basic Rent, the Tenant shall pay any Additional Rent required to be paid pursuant to this Project Lease, or, if such payment cannot be made from legally available funds, as soon thereafter as funds can be made legally available after receipt of written notice thereof given to the Tenant by the Authorized Issuer Representative.

Section 3.3 Rent Payable Without Abatement or Setoff. Tenant covenants and agrees with and for the express benefit of Issuer and the Owners that all payments of Basic Rent and Additional Rent shall be made by Tenant as the same become due, and that Tenant shall perform all of its obligations, covenants and agreements hereunder without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Project shall have been acquired, started or completed, or whether Issuer's interest in the Project or any part thereof is defective or non-existent, and notwithstanding any failure of consideration or commercial frustration of purpose, the eviction or constructive eviction of Tenant, any change in the tax or other laws of the United States of America, the State, or any political subdivision of either, any change in Issuer's legal organization or status, or any default of Issuer hereunder, and regardless of the invalidity of any action of Issuer or any other event or condition whatsoever, and regardless of the invalidity of any portion of this Project Lease. Nothing in this Project Lease shall be construed as a waiver by Tenant of any rights or claims Tenant may have against Issuer under this Project Lease or otherwise, but any recovery upon such rights and claims shall be had from Issuer separately, it being the intent of this Project Lease that Tenant shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Project Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owners, and to include amounts in its annual budget sufficient to make such payments. The Tenant hereby acknowledges that this Project Lease is not subject to termination for failure in any Fiscal Year to appropriate sufficient funds to make any such payments.

Section 3.4 Prepayment of Basic Rent. The Tenant may, at any time, prepay all or any part of the Rental Payments, which prepayment shall be accompanied by an explanatory written statement of the Authorized Tenant Representative and written instructions as to application of the prepayment towards the early redemption of Bonds.

Section 3.5 Deposit of Rental Payments. The Issuer shall deposit, use and apply all payments of Basic Rent and Additional Rent in accordance with the provisions of this Project Lease and the Bond Resolution.

ARTICLE IV

Section 4.1 Disposition of Series 2025 Bond Proceeds; Project Fund. The proceeds of the Series 2025 Bonds shall be deposited in the Funds and Accounts and shall be applied in the manner set forth in the Bond Resolution and this Article, without further order or authorization.

Section 4.2 Project Contracts. It is recognized by the parties hereto that prior to the execution hereof the Tenant or the Issuer has entered into a contract or contracts with respect to the design, acquisition and/or construction of the Project, and that the Issuer shall enter into future contracts with respect to the design, acquisition and/or construction of the Project. Said contracts are hereinafter referred to as the "Project Contracts." Prior to the execution hereof, certain work has been or may have been performed on the Project pursuant to said Project Contracts. The Tenant hereby conveys to the Issuer all of Tenant's interest in the Project Contracts, and the Issuer hereby designates the Tenant as the Issuer's agent for the purpose of executing and performing the Project Contracts. After the execution hereof, Tenant shall cause the Project Contracts to be fully performed by the contractor(s), subcontractor(s) and supplier(s) thereunder in accordance with the terms thereof, and Tenant covenants to cause the Project or improvements constituting part thereof to be acquired, constructed and installed in accordance with the Project Contracts. The Tenant warrants that the construction and/or acquisition of the Project or improvements constituting part thereof in accordance with said Project Contracts will result in the Project being suitable for use by the Tenant as a fire station facility. Any and all amounts received by Issuer or Tenant from any of the contractors or other suppliers by way of breach of contract, refunds or adjustments shall become a part of and be deposited in the Project Fund.

Section 4.3 Payment of Project Costs.

(a) The Issuer hereby agrees to pay for a portion of the construction of the Project, but solely from the Project Fund, and hereby authorizes payment for the same, but solely from the Project Fund.

(b) The Issuer agrees to cause acquisition and construction of the Project to be diligently and continuously prosecuted and to be completed with reasonable dispatch substantially in accordance with the Project Contracts.

(c) In the event the moneys on deposit in the Project Fund, together with other funds, if any, made available for the Project Costs relating to the Project, are at any time insufficient to pay for the completion of the Project, the Tenant agrees to pay or cause to be paid the amount of such deficiency, from other lawfully available funds, for deposit in the Project Fund.

(d) The Issuer shall disburse moneys on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for, Project Costs relating to the Project, upon receipt of a certificate signed by the Authorized Tenant Representative in the form set forth by *Appendix A* hereto which is incorporated herein by reference.

Section 4.4 Changes or Amendments to Project Contracts. The Tenant may make, authorize or permit such changes or amendments to the Project Contracts as it may reasonably determine to be necessary or desirable; provided, however, that no such change or amendment may be made to the

Project Contracts that would cause a material change in the cost, scope, nature, or function of the Project, unless the Tenant shall file with the Issuer a certificate of the Authorized Issuer Representative and the Authorized Tenant Representative, to the effect that the Project will, after such change or amendment, continue to comply with the Act, and such change or amendment will not result in the Project being used for any purpose prohibited by this Project Lease or otherwise result in the Tenant failing to comply with any provisions of this Project Lease, or materially adversely affect the Basic Rent available for payment of principal of, premium, if any, and interest on the Bonds, or violate or conflict with the terms of any applicable approvals of the Tenant.

Section 4.5 Completion of Project. Issuer covenants and agrees to proceed diligently to complete the Project on or before the Completion Date. Upon completion of the Project, Issuer shall cause the Authorized Tenant Representative to deliver a Certificate of Completion signed by the Authorized Tenant Representative in the form attached hereto as **Appendix B**. In the event funds remain on hand in the Project Fund on the date the Certificate of Completion is furnished or on the Completion Date, whichever shall first occur, such remaining funds shall be transferred to the Principal and Interest Account on the Completion Date and shall be applied in accordance with the provisions of the Bond Resolution.

Section 4.6 Right of Entry by Issuer. The duly authorized agents of Issuer shall have the right at any reasonable time prior to the completion of the Project to have access to the Project or any parts thereof for the purpose of inspecting and supervising the acquisition, installation or construction thereof.

Section 4.7 Furnishings and Equipment Purchased by Tenant. If no part of the purchase price of an item of personal property is paid from funds deposited in the Project Fund pursuant to the terms of this Project Lease, then such item of machinery, equipment or personal property shall not be deemed a part of the Project.

Section 4.8 Project Property of Issuer. All buildings, improvements and work constituting a part of the Facility, all work and materials on the Facility as such work progresses, and the Facility as fully completed and equipped, anything under this Project Lease which becomes, is deemed to be, or constitutes a part of the Facility, and the Facility as repaired, rebuilt, rearranged, restored or replaced by Tenant under the provisions of this Project Lease, except as otherwise specifically provided herein, shall immediately when erected or installed become the absolute property of Issuer, subject to the Base Lease.

Section 4.9 Kansas Retailers' Sales Tax. The parties have entered into this Project Lease in contemplation that, under the existing provisions of K.S.A. 79-3606 and other applicable laws, sales of tangible personal property or services purchased directly by Issuer in connection with construction of the Facility are entitled to exemption from the tax imposed by the Kansas Retailers' Sales Tax Act.

ARTICLE V

Section 5.1 Environmental Covenants. Tenant acknowledges that it is responsible for maintaining the Project in compliance with all applicable Environmental Laws. In the event that Tenant does not expeditiously proceed with any compliance action with respect to the Project lawfully required by any local, state or federal authority under applicable Environmental Law, Issuer, immediately after notice to Tenant, may elect (but may not be required) to undertake such compliance. Any moneys expended by Issuer in efforts to comply with any applicable Environmental Law (including the cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and attorneys' fees) shall be due and payable as Additional Rent hereunder, subject to the availability of

appropriated funds, with interest thereon at the average rate of interest per annum on the Bonds, plus two (2) percentage points, from the date such cost is incurred.

To the extent permitted by law, Tenant shall and does hereby indemnify the Issuer and the Owner and agrees to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and costs associated with or incurred in the investigation, defense and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the Project of any Hazardous Substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether before, during or after the term of this Project Lease, including claims relating to personal injury or damage to property.

ARTICLE VI

Section 6.1 Insurance as a Condition to Disbursement. As a condition precedent to disbursement of funds from the Project Fund pursuant to *Article V* hereunder, the following policies of insurance shall be in full force and effect:

(a) Comprehensive general liability insurance covering Tenant's operations in or upon the Project (including coverage for losses arising from the ownership, maintenance, use or operation of any automobile, truck or other vehicle in or upon the Project) under which Tenant shall be named as insured and Issuer shall be additional named insureds, as their interests in the Project shall appear, in an amount not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence as provided by the Kansas tort claims act or other similar future law (currently \$500,000 per occurrence); which policy must provide that such insurance may not be cancelled by the issuer thereof without at least 30 days' advance written notice to Issuer and Tenant, such insurance to be maintained throughout the Term of this Project Lease; and

(b) Workers' Compensation Insurance (or self-insurance complying with the workers' compensation laws of the State); and

(c) Insurance insuring the Project while under construction against fire, lightning and all other risks covered by the broadest form extended coverage endorsement then and from time to time thereafter in use in the State to the Full Insurable Value of the Project. Such insurance coverage shall name Tenant as insured and Issuer as additional insureds, as their respective interests appear, and all Net Proceeds received under such policy or policies by Issuer or Tenant shall be applied as set forth in *Article XVIII* hereof; and

(d) With regard to new buildings and improvements constituting a part of the Project and constructed by general contractors other than Tenant, performance and labor and material payment bonds and statutory bonds (with sureties approved by the Issuer) with respect to the Project Contracts in the full amount of the Project Contracts. Said bonds shall name Issuer and the Tenant as obligee. All payments received by Issuer and Tenant under said bonds shall become a part of and be deposited in the Project Fund. With regard to materials and/or labor furnished to the Project at the order of Tenant without formal contract, or by subcontract with Tenant acting as general contractor, with respect to materials or labor which could form the basis of a statutory mechanic's lien, if the amount of the transaction does not exceed \$10,000; the payments therefor may be disbursed upon receipt of releases or waivers of statutory mechanic's or subcontractor's liens by all vendors or subcontractors receiving payment or furnishing labor or materials as a subcontractor of the vendor or subcontractor receiving payment.

Section 6.2 Insurance After Completion. Tenant shall and covenants and agrees that it will, prior to or simultaneously with the expiration of the insurance provided for in the preceding section and throughout the Basic Term at its sole cost and expense, keep the Project continuously insured against loss or damage by fire, lightning and all other risks covered by the broadest form extended coverage insurance endorsement then in use in the State in an amount equal to the Full Insurable Value thereof in such insurance company or companies as it may select and shall at all times maintain general accident and public liability insurance required pursuant to *Section 6.1(a)*.

Section 6.3 General Insurance Provisions.

(a) Prior to the expiration dates of the expiring policies or within 30 days of renewal, originals or certificates or acceptable binders of the policies provided for in this Article, each bearing notations evidencing payment of the premiums or other evidence of such payment satisfactory to Issuer, shall be delivered by Tenant to Issuer. All policies of such insurance and all renewals thereof shall name Tenant as insured and Issuer as additional named insureds, must contain a provision that such insurance may not be cancelled or amended by the issuer thereof without at least thirty (30) days' written notice to Issuer and Tenant and shall be payable to the Issuer and Tenant as their respective interests appear. Issuer and Tenant each hereby agree to do anything necessary, be it the endorsement of checks or otherwise, to cause any such payment, as long as such payment is required by this Project Lease.

(b) Each policy of insurance hereinabove referred to shall be issued by a nationally recognized responsible insurance company qualified under the laws of the State to assume the risks covered therein except that Tenant may be self-insured as to any required insurance coverages under a program of self-insurance approved by the State Commissioner of Insurance or other applicable State regulatory authority to the extent required by law, and with the consent of the Issuer, which consent will not be unreasonably withheld.

(c) Certificates of insurance evidencing the insurance coverages herein required shall be filed with the Issuer continuously during the term of this Project Lease.

(d) Each policy of insurance hereinabove referred to may be subject to a reasonable deductible in an amount approved by the Issuer.

(e) Each policy of insurance required herein may be provided through blanket policies maintained by Tenant.

(f) Anything in this Project Lease to the contrary notwithstanding, subject to the limitations of the Kansas Tort Claims Act, Tenant shall be liable to Issuer pursuant to the provisions of this Project Lease or otherwise, as to any loss or damage which may have been occasioned by the negligence of Tenant, its agents, licensees, contractors, invitees or employees.

ARTICLE VII

Section 7.1 Impositions. Tenant shall, during the Term of this Project Lease, bear, pay and discharge, before the delinquency thereof, any and all Impositions. In the event any Impositions may be lawfully paid in installments, Tenant shall be required to pay only such installments thereof as become due and payable during the Term of this Project Lease as and when the same become due and payable.

Section 7.2 Receipted Statements. Unless Tenant exercises its right to contest any Impositions in accordance with **Section 7.4** hereof, Tenant shall, within 30 days after the last day for payment, without penalty or interest, of an Imposition which Tenant is required to bear, pay and discharge pursuant to the terms hereof, deliver to Issuer a photostatic or other suitable copy of the statement issued therefor duly receipted to show the payment thereof.

Section 7.3 Issuer May Not Sell. Issuer covenants that, unless Tenant is in default under this Project Lease it will not, without Tenant's written consent, unless required by law, sell or otherwise part with or encumber its fee or other ownership interest in the Project at any time during the Term of this Project Lease.

Section 7.4 Contest of Impositions. Tenant shall have the right, in its own or Issuer's name or both, to contest the validity or amount of any Imposition by appropriate legal proceedings instituted at least 10 days before the Imposition complained of becomes delinquent if, and provided, Tenant (i) before instituting any such contest, shall give Issuer written notice of its intention to do so and, if requested in writing by Issuer, shall deposit with the Issuer a surety bond of a surety company acceptable to Issuer as surety, in favor of Issuer, or cash, in a sum of at least the amount of the Imposition so contested, assuring the payment of such contested Impositions together with all interest and penalties to accrue thereon and court costs, and (ii) diligently prosecutes any such contest and at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (iii) promptly pays any final judgment enforcing the Imposition so contested and thereafter promptly procures record release or satisfaction thereof. Tenant shall hold Issuer whole and harmless from any costs and expenses Issuer may incur related to any such contest.

ARTICLE VIII

Section 8.1 Use of Project. Subject to the provisions of this Project Lease, Tenant shall have the right to use the Project for its lawful governmental purposes as contemplated by the Constitution of the State, the Act and all applicable provisions of the Code. Tenant shall comply with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project or to any adjoining public ways, as to the manner of use or the condition of the Project or of adjoining public ways. Tenant shall comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Project Lease. Tenant shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of Tenant to comply with the provisions of this Article.

ARTICLE IX

Section 9.1 Assignment by Tenant. Tenant may not assign its interest in this Project Lease without the prior written consent of Issuer. Any such assignment must be to an entity authorized to be a

Tenant in accordance with the Act and such assignment shall not affect the tax-exempt status of the Bonds. In the event of any such assignment, Tenant shall remain fully liable for the performance of its duties and obligations hereunder, except to the extent hereinafter provided, and no such assignment and no dealings or transactions between Issuer and any such assignee shall relieve Tenant of any of its duties and obligations hereunder, except as may be otherwise provided in the following section.

Section 9.2 Release of Tenant. If, in connection with an assignment by Tenant of its interest in this Project Lease, (1) the Issuer and the Owners of ninety percent (90%) in aggregate principal amount of the Outstanding Bonds (including any Additional Bonds) shall file with the Issuer their prior written consent to such assignment, and (2) the proposed assignee shall expressly assume and agree to perform all of the obligations of Tenant under this Project Lease; then Tenant shall be fully released from all obligations accruing hereunder after the date of such assignment.

Section 9.3 Covenant Against Other Assignments. Tenant will not assign or in any manner transfer its interests under this Project Lease, nor will it suffer or permit any assignment thereof by operation of law, except in accordance with the limitations, conditions and requirements herein set forth.

Section 9.4 Sublease by Tenant. Tenant may not sublease the Project to a single party or entity, without the prior written consent of Issuer. The Tenant may sublease portions of the Project for use by others in the normal course of its business without Issuer's prior consent or approval provided such sublease does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. Any such subtenant must be an entity permitted to be a Tenant under the provisions of the Act. In the event of any such subleasing, Tenant shall remain fully liable for the performance of its duties and obligations hereunder, and no such subleasing and no dealings or transactions between Issuer and any such subtenant shall relieve Tenant of any of its duties and obligations hereunder. Any such sublease shall be subject and subordinate in all respects to the provisions of this Project Lease.

ARTICLE X

Section 10.1 Repairs and Maintenance. Tenant covenants and agrees that it will, during the Term of this Project Lease, keep and maintain the Project and all parts thereof in good condition and repair, including but not limited to the furnishing of all parts, mechanisms and devices required to keep the furnishings, equipment and personal property constituting a part of the Project in good mechanical and working order, and that during said period of time it will keep the Project and all parts thereof free from nuisance or conditions unreasonably increasing the danger of fire.

Section 10.2 Removal, Disposition and Substitution of Furnishings or Equipment. Tenant shall have the right, provided Tenant is not in default in the payment of Basic Rent and Additional Rent, to remove and sell or otherwise dispose of any furnishings or equipment which constitutes a part of the Project and which are no longer used by Tenant or, in the opinion of Tenant, are no longer suitable for use by Tenant in its operations (whether by reason of obsolescence, depreciation or otherwise), subject, however, to the following conditions:

(a) Prior to any such removal, Tenant shall deliver to the Issuer a certificate signed by the Authorized Tenant Representative (i) containing a complete description, including the make, model and serial numbers, if any, of any furnishings or equipment constituting a part of the Project which it proposes to remove, (ii) stating the reason for such removal, (iii) stating what disposition, if any, of the furnishings or equipment is to be made by Tenant after such removal and the names of the party or parties to whom such disposition is to be made and the consideration to be received by Tenant therefor, if any, and (iv)

setting forth the original cost and the current fair market value of such furnishings or equipment; provided, however, that in no event shall the value be less than the consideration to be received by Tenant upon the disposition.

(b) Prior to any such removal, Tenant shall pay the current fair market value of such furnishings or equipment as set forth in said certificate to the Issuer and the Issuer shall deposit such amount in the Principal and Interest Account.

(c) Tenant may remove or sell furnishings and equipment constituting a part of the Project without first complying with the provisions of subparagraph (b) above; provided, however, that Tenant shall promptly replace any such furnishings or equipment so removed with furnishings or equipment of the same or a different kind but which are capable of performing the same function, efficiently, as the furnishings or equipment so removed, and the furnishings or equipment so acquired by Tenant to replace such furnishings or equipment shall be deemed a part of the Project. Within thirty (30) days after any such replacement by Tenant, Tenant shall deliver to the Trustee a certificate of the Authorized Tenant Representative setting forth a complete description, including make, model and serial numbers, if any, of the furnishings or equipment which Tenant has acquired to replace the furnishings or equipment so removed by Tenant, the cost thereof and that said furnishings or equipment have been installed.

All furnishings or equipment constituting a part of the Project and removed by Tenant pursuant to this Section (c) shall become the absolute property of Tenant and may be sold or otherwise disposed of by Tenant without accounting to Issuer with respect thereto. In all cases, Tenant shall pay all the costs and expenses of any such removal and shall immediately repair at its expense all damage caused thereby. Tenant's rights under this Article to remove furnishings or equipment constituting a part of the Project is intended only to permit Tenant to maintain an efficient operation by the removal of such furnishings or equipment no longer suitable to Tenant's use for any of the reasons set forth in this Section and such right is not to be construed to permit a removal under any other circumstances and shall not be construed to permit the wholesale removal of such furnishings or equipment by Tenant.

ARTICLE XI

Section 11.1 Alteration of Project. Tenant shall have and is hereby given the right, at its sole cost and expense, to make such changes and alterations in and to any part of the Project as Tenant from time to time may deem necessary or advisable; provided, however, Tenant shall not make any major change or alteration which will adversely affect the intended use or structural strength of any part of the Project. All additions, changes and alterations made by Tenant pursuant to the authority of this Article shall (a) be made in a workmanlike manner and in strict compliance with all laws and regulations applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, shall be deemed a part of the Project; provided, however, that additions of furnishings, equipment and/or personal property of Tenant, not purchased or acquired from funds deposited with the Issuer hereunder and not constituting a part of the Project shall remain the separate property of Tenant and may be removed by Tenant prior to termination of this Project Lease; provided further, however, that all such additional furnishings, equipment and/or personal property which remain in the Project after the termination of this Project Lease for any cause other than the purchase of the Project pursuant to *Article XVII* hereof shall, upon and in the event of such termination, become the separate and absolute property of Issuer.

ARTICLE XII

Section 12.1 Additional Facilities. Tenant shall have and is hereby given the right, at its sole cost and expense, to construct on the Land or within areas occupied by the Facility, or in airspace above the Project, such additional buildings and improvements as Tenant from time to time may deem necessary or advisable. All additional buildings and improvements constructed by Tenant pursuant to the authority of this Article shall, during the Term, remain the property of Tenant and may be added to, altered or razed and removed by Tenant at any time during the Term hereof. Tenant covenants and agrees (a) to make all repairs and restorations, if any, required to be made to the Project because of the construction of, addition to, alteration or removal of, said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, (c) to promptly and with due diligence either raze and remove from the Land, in a good, workmanlike manner, or repair, replace or restore such of said additional buildings or improvements as may from time to time be damaged by fire or other casualty, and (d) that all additional buildings and improvements constructed by Tenant pursuant to this Article which remain in place after the termination of this Project Lease for any cause other than the purchase of the Project pursuant to *Article XVII* hereof shall, upon and in the event of such termination, become the separate and absolute property of Issuer.

ARTICLE XIII

Section 13.1 Securing of Permits and Authorizations. Tenant shall not do or permit others under its control to do any work in or in connection with the Project or related to any repair, rebuilding, restoration, replacement, alteration of or addition to the Project, or any part thereof, unless all applicable governmental permits and authorizations shall have first been procured. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, resolutions, governmental regulations and requirements and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Project Lease.

Section 13.2 Mechanics' Liens. Tenant shall not do or suffer anything to be done whereby the Project, or any part thereof, may be encumbered by any mechanics' or other similar lien.

Section 13.3 Contest of Liens. The Tenant, notwithstanding the above, shall have the right to contest any such mechanics', or other similar lien if within a 30 day period it (i) notifies the Issuer in writing of its intention so to do; (ii) diligently pursues such contest, at all times effectively staying or preventing any official or judicial sale of the Project or any part thereof or interest therein, under execution or otherwise; and (iii) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and thereafter promptly procures a recorded release or satisfaction thereof.

Section 13.4 Utilities. All utilities and utility services used in, on or about the Project shall be contracted for by Tenant in Tenant's own name and Tenant shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith. Utility costs shall be included in Maintenance Costs as defined herein.

ARTICLE XIV

Section 14.1 Indemnity. Subject to the provisions of K.S.A. 75-6101 *et seq.* (the Kansas Tort Claims Act) and other applicable law, the Tenant covenants and agrees, at its expense, to pay, and to indemnify and save the Issuer and all agents, members, directors, officers and employees thereof harmless against and from any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the acquisition, construction, equipping, occupation, use, operation, maintenance, possession, conduct or management of, or from any work done in or about the Project, or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, or regulations affecting the Project or the occupancy or use thereof. Subject to the provisions of K.S.A. 75-6101 *et seq.* and other applicable law, the Tenant also covenants and agrees, at its expense, to pay and to indemnify and save the Issuer and all agents, members, directors, officers and employees thereof harmless against and from, any and all claims arising from (i) any condition of the Project and the adjoining sidewalks and passageways, (ii) any breach or default on the part of such the Tenant in the performance of any covenant or agreement to be performed by such the Tenant pursuant to this Project Lease, (iii) any act or negligence of the Tenant or, any of its agents, contractors, servants, employees or licensees in connection with their use, occupancy or operation of the Project, or (iv) any accident, injury or damage whatsoever caused to any person, firm or corporation, in or about the Project or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this section. In the event that any action or proceeding is brought against the Issuer or any agent, member, director, officer or employee thereof by reason of any such claim, the Tenant, upon notice from the Issuer, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the Issuer.

Notwithstanding the fact that it is the intention of the parties that the Issuer and all agents, members, directors, officers and employees thereof shall not incur any pecuniary liability whatsoever by reason of the terms of this Project Lease, or the undertakings required of the Issuer hereunder or any agent, member, director, officer or employee thereof, by reason of the issuance of Bonds, by reason of the execution or authorization of any documents or certification in connection with the Bonds including, but not limited to, the Resolution, this Project Lease, or any preliminary or final official statement, by reason of the performance, or nonperformance, of any act required of it by this Project Lease or the Resolution, or by reason of the performance, or nonperformance, of any act requested of it by the Tenant, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing; nevertheless, if the Issuer or any agent, member, employee, officer or director thereof should incur any such pecuniary liability then in such event the Tenant, subject to the provisions of K.S.A. 75-6101 *et seq.* and other applicable law, shall indemnify and hold harmless the Issuer and all agents, members, directors, officers and employees thereof, against all claims, fees, including attorney fees, and expenses by or on behalf of any person, firm, corporation, or governmental authority, arising out of the same, and all costs, fees and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Issuer, the Tenant shall defend and hold harmless the Issuer in any such action or proceeding. This section shall survive the termination of this Project Lease for any claim, proceeding or action arising from any event or omission occurring during the Term and after the termination, due to an Event of Default, for any period the Tenant or assignee occupies the Project.

Section 14.2 Liability. Subject to *Article IV* hereof, the provisions of K.S.A. 75-6101 *et seq.* and other applicable law, the Tenant hereby accepts all responsibility relating to the operation, maintenance and repair of the Project during the Project Lease Term and agrees that the Issuer shall not have any liability therefor.

ARTICLE XV

Section 15.1 Access to Project. Issuer, for itself and its duly authorized representatives and agents, reserves the right to enter the Project at all reasonable times during usual business hours throughout the Term for the purpose of (a) examining and inspecting the same, (b) performing any work made necessary by reason of an Event of Default by the Tenant under any of the provisions of this Project Lease, and (c) while an Event of Default is continuing hereunder, for the purpose of exhibiting the Project to prospective purchasers or lessees. Issuer may, during the progress of said work mentioned in (b) above, keep and store on the Project all necessary materials, supplies and equipment and shall not be liable for necessary inconvenience, annoyances, disturbances, loss of business or other damage suffered by reason of the performance of any such work or the storage of such materials, supplies and equipment.

ARTICLE XVI

Section 16.1 Quiet Enjoyment and Possession. So long as no Event of Default has happened and is continuing under this Project Lease, Tenant shall and may peaceably and quietly have, hold and enjoy the Project.

ARTICLE XVII

Section 17.1 Option to Purchase Project. Subject to the provisions of this Article, Tenant shall have the option to purchase the Project at any time during the Term hereof and 120 days thereafter. Tenant shall exercise its option by giving Issuer written notice of Tenant's election to exercise its option specifying the date, time and place of closing, which date (the "Closing Date") shall neither be earlier than 30 days nor later than 180 days after the notice is given.

Section 17.2 Quality of Title and Purchase Price. If notice of election to purchase is given, Issuer shall sell and convey its interests in and to the Project to Tenant on the Closing Date free and clear of all liens and encumbrances except (1) those to which the title was subject on the date of execution of this Project Lease, or to which title became subject with Tenant's written consent, or which resulted from any failure of Tenant to perform any of its covenants or obligations under this Project Lease, (2) taxes and assessments, general and special, if any, and (3) the rights of any party having condemned or who is attempting to condemn title to, or the use for a limited period of, all or any part of the Project, for the price and sum as follows (which Tenant shall pay in cash at the time of delivery of Issuer's deed or other instrument or instruments of transfer to the Project to Tenant as hereinafter provided):

(a) The full amount which is required to provide Issuer with funds sufficient, in accordance with the provisions of the Bond Resolution, to pay at maturity or to redeem and pay in full (i) the principal and redemption premium, if any, of all of the Outstanding Bonds, (ii) all interest due thereon to date of maturity or redemption, whichever first occurs, and (iii) all costs, expenses and premiums incident to the redemption and payment of said Bonds in full,

(b) unless the Bonds have been paid at maturity, irrevocable instructions to redeem the Outstanding Bonds at the next Redemption Date, plus

(c) \$100.00.

Nothing in this Article shall release or discharge Tenant from its duty or obligation under this Project Lease to make any payment of Basic Rent or Additional Rent which, in accordance with the terms of this Project Lease, becomes due and payable prior to the Closing Date, or its duty and obligation to fully perform and observe all covenants and conditions herein stated to be performed and observed by Tenant prior to the Closing Date. Funds received by the Issuer to pay or redeem Bonds pursuant to this section shall be deposited in the Principal and Interest Account or deposited in accordance with **Section 601** of the Bond Resolution.

Section 17.3 Closing of Purchase. On the Closing Date Issuer shall deliver to Tenant its quit claim deed or other appropriate instrument or instruments of conveyance or assignment, properly executed and conveying the Project to Tenant free and clear of all liens and encumbrances of the Issuer or the Owners, Tenant shall pay the full purchase price for the Project as follows: (a) the amount specified in **Section 17.2(a)** shall be deposited in the Principal and Interest Account and Issuer shall use the same to pay or redeem the Bonds and the interest thereon as provided in the Bond Resolution, and (b) the amount specified in **Section 17.2(c)** shall be paid to Issuer; provided, however, nothing herein shall require Issuer to deliver its said quit claim deed or other appropriate instrument or instruments of assignment or conveyance to Tenant until after all duties and obligations of Tenant under this Project Lease to the date of such delivery have been fully performed and satisfied. Upon the delivery to Tenant of Issuer's said quit claim deed or other appropriate instrument or instruments of assignment or conveyance and payment of the purchase price by Tenant, all rights of Tenant under this Project Lease shall, *ipso facto*, terminate.

Section 17.4 Effect of Failure to Complete Purchase. If, for any reason, the purchase of the Project by Tenant pursuant to valid notice of election to purchase given as aforesaid is not effected on the Closing Date, this Project Lease shall be and remain in full force and effect according to its terms the same as though no notice of election to purchase had been given, except that if such purchase is not effected on the Closing Date because Issuer does not have or is unable to convey to Tenant such title to the Project as Tenant is required to accept, the Issuer shall use its best efforts to cure any such defect in its title. In the event the Issuer is unable to cure such defect in its title, Tenant shall have the right to cancel this Project Lease forthwith if, but only if, the principal of and interest on the Bonds and all costs incident to the redemption and payment of the Bonds have been paid in full. Tenant shall also have the right to exercise any legal or equitable remedies, in its own name or in the name of the Issuer, to obtain its own name or in the name of the Issuer, to obtain acceptable title to the Project.

Section 17.5 Application of Condemnation Awards if Tenant Purchases Project. The right of Tenant to exercise its option to purchase the Project under the provisions of this Article shall remain unimpaired notwithstanding any condemnation of title to, or the use for a limited period of, all or any part of the Project. If Tenant shall exercise its said option and pay the purchase price as provided in this Article, all of the condemnation awards received by Issuer after the payment of said purchase price, less all attorneys' fees and other expenses and costs incurred by Issuer in connection with such condemnation, shall belong and be paid to Tenant.

ARTICLE XVIII

Section 18.1 Damage and Destruction.

(a) If, during the Term, the Project is damaged or destroyed, in whole or in part, by fire or other casualty, the Tenant shall promptly notify the Issuer in writing as to the nature and extent of such damage or loss and whether it is practicable and desirable to rebuild, repair, restore or replace such damage or loss.

(b) If the Tenant shall determine that such rebuilding, repairing, restoring or replacing is practicable and desirable, the Tenant shall forthwith proceed with and complete with reasonable dispatch such rebuilding, repairing, restoring or replacing. In such case, any Net Proceeds of casualty insurance required by this Project Lease and received with respect to any such damage or loss to the Project shall be deposited in the Project Fund and shall be used and applied for the purpose of paying the cost of such rebuilding, repairing, restoring or replacing such damage or loss. Any amount remaining in the Project Fund after such rebuilding, repairing, restoring or replacing shall be deposited into the Principal and Interest Account and used to pay principal of the Bonds.

(c) If the Tenant shall determine that rebuilding, repairing, restoring or replacing the Project is not practicable and desirable, any Net Proceeds of casualty insurance required by this Project Lease and received with respect to any such damage or loss to the Project shall be paid into the Principal and Interest Account. The Tenant agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The Tenant shall not, by reason of its inability to use all or any part of the Project during any period in which the Project is damaged or destroyed, or is being repaired, rebuilt, restored or replaced nor by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the Tenant under this Project Lease nor of any other obligations of the Tenant under this Project Lease except as expressly provided in this Section.

(e) Anything in this Article to the contrary notwithstanding, the Issuer shall have the right at any time and from time to time to withhold payment of all or any part of the Net Proceeds from the Project Fund attributable to damage or destruction of the Project to Tenant or any third party if an Event of Default has occurred and is continuing, or Issuer has given notice to Tenant of an Event of Default which, with the passage of time, will become an Event of Default. In the event Tenant shall cure an Event of Default specified herein, the Issuer may make payments from the Net Proceeds to Tenant in accordance with the provisions of this Article. However, if this Project Lease is terminated or Issuer otherwise re-enters and takes possession of the Project without terminating this Project Lease, the Issuer shall pay all the Net Proceeds held by it into the Principal and Interest Account and all rights of the Tenant in and to such Net Proceeds shall cease.

Section 18.2 Condemnation.

(a) If during the Term title to, or the temporary use of, all or any part of the Project shall be condemned by any authority exercising the power of eminent domain, the Tenant shall, within 90 days after the date of entry of a final order in any eminent domain proceedings granting condemnation, notify the Issuer in writing as to the nature and extent of such condemnation and whether it is practicable and desirable to acquire or construct substitute improvements.

(b) If the Tenant shall determine that such substitution is practicable and desirable, the Tenant shall forthwith proceed with and complete with reasonable dispatch the acquisition or construction of such substitute improvements. In such case, any Net Proceeds received from any award or awards with respect to the Project or any part thereof made in such condemnation or eminent domain proceedings shall be deposited in the Project Fund and shall be used and applied for the purpose of paying the cost of such substitution. Any amount remaining in the Project Fund after such acquisition or construction shall be deposited into the Principal and Interest Account.

(c) If the Tenant shall determine that it is not practicable and desirable to acquire or construct substitute improvements, any Net Proceeds of condemnation awards received by the Tenant shall be paid into the Principal and Interest Account. The Tenant agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The Tenant shall not, by reason of its inability to use all or any part of the Project during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the Tenant under this Project Lease nor of any other obligations hereunder except as expressly provided in this Section.

(e) The Issuer shall cooperate fully with the Tenant in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof. In no event will the Issuer voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Tenant.

ARTICLE XIX

Section 19.1 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Issuer may take any one or more of the following remedial actions:

(a) By written notice to the Tenant, the Issuer may declare the aggregate amount of all unpaid Basic Rent or Additional Rent then or thereafter required to be paid under this Project Lease by the Tenant to be immediately due and payable as liquidated damages from the Tenant, whereupon the same shall become immediately due and payable by the Tenant; and when received the Issuer will utilize such amounts to provide for payment or redemption of the Outstanding Bonds in accordance with the Bond Resolution;

(b) Give Tenant written notice of its intention to terminate this Project Lease on a date specified therein, which date shall not be earlier than 30 days after such notice is given and, if all Events of Default have not then been cured on the date so specified, Tenant's rights to possession of the Project shall cease, and this Project Lease shall thereupon be terminated, and Issuer may re-enter and take possession of the Project and proceed to sell its interest in the Project; or

(c) Without terminating the Term hereof, or this Project Lease, conduct inspections or an Environmental Assessment of the Project, and re-enter the Project or take possession thereof pursuant to legal proceedings or any notice provided for by law and this Project Lease. The Issuer may refuse to re-enter or take possession of the Project if it has reasonable cause for such refusal. "Reasonable cause" shall include the presence on the Project of conditions which are in violation of any Environmental Law or the existence or threat of a remedial action against the Tenant under any Environmental Law resulting from conditions on the Project.

Having elected to re-enter or take possession of the Project without terminating the Term or this Project Lease, the Issuer shall use reasonable diligence to relet the Project, or parts thereof, for such term or terms and at such rental and upon such other terms and conditions as are deemed advisable, with the right to make alterations and repairs to the Project, and no such re-entry or taking of possession of the Project shall be construed as an election to terminate this Project Lease, and no such re-entry or taking of possession shall relieve Tenant of its obligation to pay Basic Rent or Additional Rent (at the time or times provided herein), or of any of its other obligations under this Project Lease, all of which shall survive such

re-entry or taking of possession. Tenant shall continue to pay the Basic Rent and Additional Rent provided for in this Project Lease until the end of the Term, whether or not the Project shall have been relet, less the net proceeds, if any, of reletting the Project.

Having elected to re-enter or take possession of the Project pursuant to subsection (c) hereunder, Issuer may (subject, however, to any restrictions against termination of this Project Lease in the Bond Resolution), by notice to Tenant given at any time thereafter while Tenant is in default in the payment of Basic Rent or Additional Rent or in the performance of any other obligation under this Project Lease, elect to terminate this Project Lease in accordance with subsection (b) hereunder and thereafter proceed to relet or sell its interest in the Project.

If, in accordance with any of the foregoing provisions of this Article, Issuer shall have the right to elect to re-enter and take possession of the Project, Issuer may enter and expel Tenant and those claiming through or under Tenant and remove the property and effects of both or either by all lawful means without being guilty of any manner of trespass and without prejudice to any remedies for arrears of Basic Rent or Additional Rent or preceding breach of covenant.

Net proceeds of any reletting or sale of the Project shall be deposited in the Principal and Interest Account. "Net proceeds" shall mean the receipts obtained from reletting or sale after deducting all expenses incurred in connection with such reletting or sale, including without limitation, all repossession costs, brokerage commissions, legal fees and expenses, expenses of employees, alteration costs and expenses of preparation of the Project for reletting or sale.

Section 19.2 Survival of Obligations. Tenant covenants and agrees with Issuer and the Owners that until the Bonds and the interest thereon and redemption premium, if any, are paid in full or provision made for the payment thereof in accordance with the Bond Resolution, its obligations under this Project Lease shall survive the cancellation and termination of this Project Lease, for any cause, and that Tenant shall continue to be obligated to pay Basic Rent and Additional Rent and perform all other obligations provided for in this Project Lease, all at the time or times provided in this Project Lease.

Section 19.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Project Lease or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Bond Resolution. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein.

ARTICLE XX

Section 20.1 Performance of Tenant's Obligations by Issuer. If Tenant shall fail to keep or perform any of its obligations as provided in this Project Lease, then Issuer may (but shall not be obligated to do so) upon the continuance of such failure on Tenant's part for ninety (90) days after notice of such failure is given Tenant by Issuer and without waiving or releasing Tenant from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and Tenant shall reimburse Issuer for all sums so paid by Issuer and all necessary or incidental costs and expenses incurred by Issuer in performing such obligations through payment of Additional Rent. If such

Additional Rent is not so paid by Tenant within ten (10) days of demand, Issuer shall have the same rights and remedies provided for in **Article XIX** in the case of an Event of Default by Tenant in the payment of Basic Rent.

ARTICLE XXI

Section 21.1 Surrender of Possession. Upon accrual of Issuer's right of re-entry as the result of an Event of Default by the Tenant hereunder or upon the cancellation or termination of this Project Lease by lapse of time or otherwise (other than as a result of Tenant's purchase of the Project), Tenant shall peacefully surrender possession of the Project to Issuer in good condition and repair, ordinary wear and tear excepted; provided, however, Tenant shall have the right, prior to or within 120 days after the termination of this Project Lease, to remove from or about the Project the buildings, improvements, furnishings, equipment, personal property, furniture and fixtures which Tenant owns under the provisions of this Project Lease and are not a part of the Project. All repairs to and restorations of the Project required to be made because of such removal shall be made by and at the sole cost and expense of Tenant. All buildings, improvements, furnishings, equipment, personal property, furniture and fixtures owned by Tenant and which are not so removed from or about the Project prior to or within 120 days after such termination of this Project Lease shall become the separate and absolute property of Issuer.

ARTICLE XXII

Section 22.1 Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Project Lease shall be in writing and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via telefax, with electronic or telephonic confirmation of receipt, or (c) communicated via electronic mail with electronic or telephonic confirmation of receipt to the Notice Representative at the Notice Address. The Issuer and the Tenant may from time to time designate, by notice given hereunder to the other parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (1) certified or registered mail shall be deemed duly given as of the date they are so mailed; (b) telefax or electronic mail shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the other party shall constitute a sufficient notice.

ARTICLE XXIII

Section 23.1 Net Lease. The parties hereto agree (a) that this Project Lease is intended to be a net lease, (b) that the payments of Basic Rent and Additional Rent are designed to provide Issuer with funds adequate in amount to pay all principal and redemption premium, if any, of and interest on the Bonds as the same become due and payable and to pay and discharge all of the other duties and requirements set forth herein, and (c) that to the extent that the payments of Basic Rent and Additional Rent are not adequate to provide Issuer with funds sufficient for the purposes aforesaid, Tenant shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money as may from time to time be required for such purposes.

ARTICLE XXIV

Section 24.1 Rights and Remedies. The rights and remedies reserved by Issuer and Tenant hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. Issuer and Tenant shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Project Lease, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 24.2 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 24.3 Issuer Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Project Lease it is provided that Issuer shall, may or must give its approval or consent, or execute supplemental agreements, exhibits or schedules, Issuer shall not unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements, exhibits or schedules.

ARTICLE XXV

Section 25.1 Financial Report. So long as any Bonds are Outstanding and unpaid and subject to the terms of the Bond Resolution, the Tenant shall furnish or cause to be furnished to the Issuer, upon request, as soon as practicable after the end of each fiscal year, duplicate copies of the audited financial statements of the Tenant. Such audited financial statements shall set forth in comparative form the figures for the previous fiscal year and shall be prepared on a basis of accounting other than GAAP which demonstrates compliance with the State's "cash-basis" and "budget" laws (except for any change in accounting principles with which the preparing certified public accountants concur) and the examination of such accountants in connection with such financial statements shall be made in accordance with generally accepted auditing standards, and accordingly include such tests of the accounting records and such other auditing procedures as considered necessary in the circumstances.

ARTICLE XXVI

Section 26.1 Funds Held by Issuer After Payment of Bonds. If, after the principal and redemption premium, if any, of and interest on the Bonds and all costs incident to the payment of Bonds have been paid in full, the Issuer holds unexpended funds received in accordance with the terms hereof, such unexpended funds shall, except as otherwise provided in this Project Lease and the Bond Resolution and after payment therefrom to Issuer of any sums of money then due and owing by Tenant under the terms of this Project Lease, be the absolute property of and be paid over forthwith to Tenant.

ARTICLE XXVII

Section 27.1 Amendments. This Project Lease may be amended, changed or modified in the following manner:

(a) With respect to an amendment, change or modification which reduces the Basic Rent or Additional Rent, or any amendment which reduces the percentage of Owners whose consent is required for any such amendment, change or modification, by an agreement in writing executed by Issuer and Tenant and consented to in writing by the Owners of 100% of the aggregate principal amount of the Bonds then Outstanding; and

(b) With respect to any other amendment, change or modification which will materially adversely affect the security or rights of the Owners, by an agreement in writing executed by Issuer and Tenant and consented to in writing by the Owners of at least 66-2/3% of the aggregate principal amount of the Bonds then Outstanding;

(c) With respect to all other amendments, changes, or modifications, by an agreement in writing executed by Issuer and Tenant.

At least 30 days prior to the execution of any agreement pursuant to (c) above, Issuer and Tenant shall furnish the Original Purchasers of the Bonds with a copy of the amendment, change or modification proposed to be made.

Section 27.2 Granting of Easements. If no Event of Default under this Project Lease shall have happened and be continuing, Tenant may, at any time or times, (a) grant easements, licenses and other rights or privileges in the nature of easements with respect to any property included in the Project, free from any rights of Issuer or the Owner, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as Tenant shall determine, and Issuer agrees, to the extent that it may legally do so, that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by Issuer of: (i) a copy of the instrument of grant or release or of the agreement or other arrangement, (ii) a written application signed by the Authorized Tenant Representative requesting such instrument, and (iii) a certificate executed by Tenant stating (A) that such grant or release is not detrimental to the proper conduct of the business of Tenant, and (B) that such grant or release will not impair the effective use or interfere with the efficient and economical operation of the Project and will not materially adversely affect the security of the Owner. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of Issuer and the Owner and shall not be affected by any termination of this Project Lease or default on the part of Tenant hereunder. If no Event of Default shall have happened and be continuing, any payments or other consideration received by Tenant for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of Tenant, but, in the event of the termination of this Project Lease because of Default of Tenant, all rights then existing of Tenant with respect to or under such grant shall inure to the benefit of and be exercisable by Issuer.

Section 27.3 Security Interests. Issuer and Tenant agree to execute and deliver all instruments (including financing statements and statements of continuation thereof) necessary for perfection of and continuance of the security interest of Issuer in and to the Project. The Issuer shall file or cause to be filed all such instruments required to be so filed and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding.

Section 27.4 Construction and Enforcement. This Project Lease shall be construed and enforced in accordance with the laws of the State. The provisions of this Project Lease shall be applied and

interpreted in accordance with the rules of interpretation set forth in the Bond Resolution. Wherever in this Project Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

Section 27.5 Invalidity of Provisions of Project Lease. If, for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 27.6 Covenants Binding on Successors and Assigns. The covenants, agreements and conditions herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 27.7 Execution of Counterparts. This Project Lease may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Section 27.8 Electronic Transactions. To the extent permitted by law, the transaction described herein may be conducted and related documents may be stored by electronic means, and copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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IN WITNESS WHEREOF, the parties hereto have caused this Project Lease to be signed and delivered by duly authorized officials as of the day and year first above written.

CITY OF SEDGWICK, KANSAS

(SEAL)

ATTEST:

Mayor

Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF HARVEY)

This instrument was acknowledged before me on _____, 2025, by Bryan Chapman, Mayor, and Shelia Agee, Clerk, of the City of Sedgwick, Kansas, a city of the third class duly organized and existing under the constitution and laws of the State of Kansas.

(Seal)

Notary Public

My Commission Expires: _____

**CITY OF SEDGWICK, KANSAS
PUBLIC BUILDING COMMISSION**

(SEAL)

President

ATTEST:

Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF HARVEY)

This instrument was acknowledged before me on _____, 2025, by Bryan Chapman, President and Shelia Agee, Secretary, of the City of Sedgwick, Kansas Public Building Commission, a municipal corporation organized under the laws of the State of Kansas.

(Seal)

Notary Public

My Commission Expires: _____

APPENDIX A

Form of Certificate for Payment of Project Costs

CITY OF SEDGWICK, KANSAS PUBLIC BUILDING COMMISSION

Project Fund

(Fire Station Project)

(Payment Order No. _____)

To: City of Sedgwick, Kansas Public Building Commission

Authorization is hereby given by the undersigned, the Authorized Tenant Representative, acting on behalf of the City of Sedgwick, Kansas (the "Tenant") to disburse funds held in the above mentioned Project Fund for the purposes and in the amounts set forth in the Payment Schedules attached hereto and incorporated herein by reference (the "Payment Schedules").

I hereby certify that the amounts requested in the attached Payment Schedules have either been advanced by the Tenant or are justly due to contractors, subcontractors, suppliers, vendors, materialmen, engineers, architects or other persons named in the Payment Schedules who have performed necessary and appropriate work in connection with any installation of furnishings, equipment or personal property, or have furnished necessary and appropriate materials in the construction or acquisition of land, buildings and improvements constituting a part of the Project. I further certify that the fair value of such work or materials, furnishings and equipment, is not exceeded by the amount requested, and such cost is one which may be capitalized for federal income tax purposes.

I further certify that, except for the amounts set forth in the Payment Schedules, there is no outstanding indebtedness which is now due and payable for labor, wages, materials, supplies or services in connection with the construction of said buildings and improvements or the purchase and/or installation of furnishings, equipment and personal property which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialmen's statutory or other similar lien upon the Project or any part thereof.

I further certify that no part of the amounts set forth in the Payment Schedules have been the basis for any previous withdrawal of any moneys from the said Project Fund.

I further certify that each of the representations and covenants on the part of the Tenant contained in the Project Lease dated as of December 9, 2025, by and between the City of Sedgwick, Kansas Public Building Commission, as Issuer, and the Tenant were, on the date of said Project Lease, and on the date hereof, true and correct in all respects and are being complied with in every respect.

I further certify that the amounts set forth in the Payment Schedules constitute Project Costs, as said term is defined in the Project Lease, and that all insurance policies which are required to be in force as a condition precedent to disbursement of funds from the Project Fund pursuant to the provisions of Section 6.1 of the Project Lease are in full force and effect.

EXECUTED this ____ day of _____, 20 ____.

Authorized Tenant Representative

EXHIBIT A - Payment Order No. _____

PAYMENT SCHEDULE
FOR BUILDINGS AND IMPROVEMENTS

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below, and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete:

PAYMENT SCHEDULE

<u>Payee Name</u>	<u>Payee Address</u>	<u>Purpose of Nature of Payment</u>	<u>Amount</u>
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Initials

EXHIBIT B - Payment Order No. _____

PAYMENT SCHEDULE
FOR FURNISHINGS AND EQUIPMENT

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below, and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete:

PAYMENT SCHEDULE

<u>Payee's Name</u>	<u>Description of Equipment</u>	<u>Amount</u>
	(include name and address of manufacturer, descriptive name, technical description, capacity, serial number or model number as appropriate)	

Initials

APPENDIX B

FORM OF CERTIFICATE OF COMPLETION

The undersigned, being the Authorized Tenant Representative for the City of Sedgwick, Kansas (the "Tenant"), as tenant under a certain Project Lease dated as of December 9, 2025, between City of Sedgwick, Kansas Public Building Commission (the "Issuer") and the Tenant, and as beneficiary of the Issuer's Revenue Bonds (Fire Station Project), Series 2025 issued pursuant to a certain Resolution adopted by the Issuer on November 19, 2025 (the "Resolution"), hereby certifies:

1. The Project (as defined in the Resolution) and all improvements constituting a part thereof have been acquired and completed in accordance with the plans and specifications prepared at the Tenant's direction.
2. The Project and improvements constituting a part thereof have been completed in a good and workmanlike manner.
3. There are no mechanic's, materialmen's liens or other statutory liens on file encumbering title to the Project; all bills for labor and materials furnished for the Project and improvements constituting a part thereof which could form the basis of a mechanic's, materialmen's or other statutory lien against the Project have been paid in full, and within the past four months no such labor or materials have been furnished which have not been paid for.
4. All improvements constituting part of the Project are located or installed on the Project.
5. All material provisions of applicable building codes have been complied with and, if applicable, a certificate of occupancy has been issued with respect to the Project.
6. All moneys remaining in the Project Fund being held by the Issuer should be transferred to the Principal and Interest Account being held by the Issuer under the Resolution, to be applied as provided therein.

IN WITNESS WHEREOF, the undersigned Authorized Tenant Representative has signed this Certificate, and states, under penalty of perjury, that the statements of fact made in this Certificate are true and correct.

By: Authorized Tenant Representative

STATE OF KANSAS)
) SS:
COUNTY OF HARVEY)

Subscribed and sworn to or affirmed before me, a notary public, this ____ day of _____,
_____.

Notary Public

My Appointment Expires: